

ASX ANNOUNCEMENT (ASX: WPL)

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WOODSIDE RESERVES STATEMENT – 2003

HIGHLIGHTS:

- *At the Proved level, Woodside's 2003 Reserves Replacement Ratio is 105% which provides a fourth year of successive increase. On the basis of a three-year rolling average for Proved Reserves, the Reserves Replacement Ratio is 132%.*
- *Proved Reserves increased by 3.0 million barrels to 980.1 million barrels of oil equivalent. This represents a reserves-to-production ratio of 16 years at 2003 production rates.*
- *At the Probable level Woodside's 2003 Reserves Replacement Ratio is 99%. On the basis of a three-year rolling average for Probable Reserves, the Reserves Replacement Ratio is 158%.*
- *Probable Reserves decreased slightly to 1303.6 million barrels of oil equivalent. The 2003 reserves do not include volumes associated with the acquisition of additional equity in the Chinguetti Field of Mauritania as the acquisition was not completed before year-end 2003.*

Woodside Petroleum Ltd. today announced its updated Reserves estimates as at December 31, 2003. The Company's Reserves are based on its interests in the North West Shelf Venture (NWS Venture), the Laminaria and Corallina oil fields in Licence area AC/L5, the Legendre oil fields in Licence area WA-20-L, the Vincent and Enfield oil fields in Permit WA-271-P, the Exeter and Mutineer oil fields in Permit WA-191-P, the Thylacine and Geographe gas fields in Permits T/30P and VIC/P43, the Chinguetti oil field in Mauritania and the Ohanet project in Algeria.

Scope for Recovery (SFR) estimates are also reported for previous discoveries and discoveries made during 2003, namely Stybarrow and Skiddaw offshore Western Australia. No SFR volume is reported at this time for the Tiof and Tiof-West oil discoveries in Mauritania as the results of these wells were still under evaluation at year end 2003.

Woodside is an Australian company listed on the Australian Stock Exchange and reports Reserves and Scope for Recovery volumes using guidelines prepared by the Society of Petroleum Engineers (SPE) and the World Petroleum Congress (WPC). Woodside uses a ten-year average crude oil price for determining Oil Reserves and individual project contract terms for Dry Gas and Condensate Reserves. Dry Gas Reserves are reported inclusive of LPG sales products.

Unless otherwise stated, all Reserves and SFR volumes are quoted as net Woodside share and Probable Reserves are inclusive of Proved Reserves.

Woodside's Overall Reserves Position

As a result of activities and studies during 2003, Proved hydrocarbon Reserves attributable to Woodside as at 31 December 2003 have increased by 30 million barrels of oil equivalent (MMboe) to 980.1 MMboe. This represents a reserves-to-production ratio of 16 years at 2003 production rates.

Woodside's annual Reserves Replacement Ratio for 2003 is 105% at the Proved level. At the Probable level it is 99%. The three-year rolling average Reserves Replacement Ratio at the Proved level is 132% and at the Probable level is 158%.

Probable Reserves reduced slightly to 1,303.6 MMboe, with Reserves additions at the Probable level replacing 99% of annual production for the year of 59.8 MMboe^{1,8}.

The replacement of production was primarily due to increased Reserves in the Wanaea, Cossack, Lambert-Hermes and Enfield oil fields offshore Western Australia, and a new Reserves addition for the Chinguetti development offshore Mauritania, Africa.

Australia

North West Shelf Venture

Woodside's share of NWS Venture Proved Dry Gas Reserves is 3,317 Bcf and 4,189 Bcf at the Probable level. Woodside's share of NWS Venture Probable Condensate Reserves is 92.7 MMbbl and 128.6 MMbbl at the Probable level. There have been no major revisions to estimates of Ultimate Recovery³ for gas fields within the Venture and hence Reserves have been reduced primarily due to production during 2003. The previously announced agreement with CNOOC NWS Private Limited to acquire an approximate 5.3% interest in the NWS Venture titles and to secure rights to use NWS Venture infrastructure was not completed during 2003 and hence Woodside's interests in the NWS Venture remained unchanged at year end. The corresponding China LNG sales agreement is not affected.

Better than expected production performance by the Wanaea, Cossack and Lambert-Hermes oil fields together with multi-disciplinary studies have resulted in Woodside's share of the NWSV Venture's Oil Reserves increasing to 21.4 MMbbl at the Proved level and 37.2 MMbbl at the Probable level. These include Oil Reserves attributable to the undeveloped Egret discovery, which remained unchanged.

Laminaria & Corallina (AC/L5)

Woodside's share of the combined Reserves of the Laminaria and Corallina development within AC/L5 has decreased to 11.8 MMbbl and 27.9 MMbbl at the Proved and Probable levels respectively, primarily due to production during 2003. There was no revision to the Laminaria field's Ultimate Recovery at the Probable level this year, whilst for the Corallina field Probable Ultimate Recovery increased by 2.4 MMbbl, Woodside share, due to better than expected production performance.

Legendre North and South (WA-20-L)

Woodside's share of the combined Reserves of the Legendre North and South development within WA-20-L decreased to 2.5 MMbbl and 5.5 MMbbl at the Proved and Probable levels respectively, primarily due to production during the 2003. There were no major revisions to the combined fields' estimated Ultimate Recoveries this year, at the Probable level.

Enfield & Vincent (WA-271-P)

Reserve estimates for the Enfield oil field development have increased by 8.7 MMbbl at the Probable level and 25.1 MMbbl at the Proved level following further multi-disciplinary field and commercial studies. Vincent Reserves have remain unchanged pending ongoing development studies. As a result, Woodside's share of the combined WA-271-P Proved Oil Reserves are now estimated to be 171.5 MMbbl and the Probable Oil Reserves are estimated to be 225.1 MMbbl. These volumes are for WA-271-P only, in which Woodside holds 100% equity.

Mutineer & Exeter (WA-191-P)

Following initial discovery of Mutineer in 1997 and Exeter in 2002, appraisal and development studies have continued during 2003 and included the drilling of a further appraisal, Carteret-1. Both fields are currently under development and as a result of work completed during 2003 Woodside's share of the combined Oil Reserves have been reduced by 1.7 MMbbl to 4.5 MMbbl at the Proved level and by 1.5 MMbbl to 8.3 MMbbl at the Probable level.

Thylacine & Geographe (T/30P and VIC/P4)

Further multidisciplinary studies to support development of the fields resulted in a minor increase in Dry Gas and Condensate Reserves. Woodside's share of Dry Gas Reserves for the combined fields is now 294 Bcf at

the Proved level and 450 Bcf at the Probable level. Woodside's share of Condensate Reserves for the combined fields is now 3.8 MMbbl and 6.0 MMbbl at the Proved and Probable levels respectively.

Africa

Chinguetti (Mauritania)

The Reserves of the Chinguetti oil field development, offshore Mauritania, Africa, are based on Woodside's equity of 35% as at 31 December 2003 and do not include volumes associated with the acquisition of additional equity announced by the company in December 2003 as this transaction was not completed by year end. The field was discovered during 2001 and has been the subject of appraisal drilling and multi-disciplinary field studies during the past two years. The field is governed by a Production Sharing Contract ('PSC') with the Government of Mauritania and Woodside's share of Reserves has been determined in accordance with this contract ('economic interest' approach). Development planning reached a sufficient level of maturity during 2003 to support the first reporting of Oil Reserves for the field, with Woodside's share being 24.7 MMbbl at the Proved Level and 37.5 MMbbl at the Probable level.

Ohanet (Algeria)

Woodside has a 15% interest in the Ohanet project in Algeria, operated by BHP Billiton, and which is governed by a Risk Services Contract ('RSC') with Algeria's national oil company, Sonatrach. In this contract participants agreed to develop several gas fields and install a gas processing plant in return for the opportunity for cost recovery with a maximum return taken from the sale of gas-liquid by-products (LPG and Condensate). Woodside does not have any share in the sales gas delivered from the development.

As explained in the 2002 Reserves Statement, it is recognised international practice to book Reserves in such circumstances based on economic interest. Woodside has estimated Reserves volumes that reflect the value of this asset, using a ten-year average Condensate price and an LPG price consistent with other Woodside Reserves determinations. Higher prices should not be applied to these volumes to estimate their value, as the Risk Service Contract specifies a maximum return.

LPG has been categorised as Dry Gas Reserves consistent with Woodside Reserve definitions. Again, this does not imply any Woodside interest in the sales gas. The resulting Woodside share of Dry Gas Reserves is estimated to be 15 Bcf at both the Proved and Probable levels. Woodside's share of Proved and Probable Condensate Reserves is estimated to be 11.1 MMbbl. The revision in Reserves at both levels is due to updated ten-year average product price assumptions, revised project costs and the commencement of production from the field in October 2003.

Scope for Recovery

At 31 December 2003 Woodside's share of SFR volumes at the Probable level was 2,866 MMboe, based primarily on the estimated recoverable hydrocarbon volumes associated with the following key assets:

- NWS Venture gas, condensate and oil accumulations – 340 Bcf Dry Gas, 16.2 MMbbl Condensate and 26.1 MMbbl Oil, unchanged from 2002 apart from oil which increased by 2.8 MMbbl.
- Sunrise and Troubadour gas and condensate accumulations – 2,570 Bcf Dry Gas and 100.0 MMbbl Condensate, both unchanged from 2002. Development of these fields remains dependent upon securing LNG markets.
- Scott Reef and Brecknock gas and condensate accumulations – 9,642 Bcf of Dry Gas and 142.0 MMbbl of Condensate, unchanged from 2002. These fields continue to be considered commercially viable in the future, but await development plans dependent upon significant growth in domestic gas and/or international LNG markets.
- Vincent, Enfield, Laverda, Stybarrow and Skiddaw oil accumulations – Combined SFR volume of 115.7 MMbbl Oil. The net increase in SFR of 11.0 MMbbl was due to the Stybarrow and Skiddaw exploration discoveries, an increase in Enfield SFR and a decrease in Laverda SFR post appraisal drilling.
- Blacktip gas accumulation – 500 Bcf Dry Gas and 3.1 MMbbl Condensate, following revision in estimated SFR and increase in Woodside equity to 53.85%. A heads of agreement specifying commercial terms was signed during 2003 and a final investment decision is expected in 2004.

- Kuda Tasi and Jahal oil accumulations – The combined SFR volume remained at 9.8 MMbbl Oil as at year end 2003, but is expected to be reduced once the results of Kuda Tasi-2, drilled late 2003, are fully interpreted.
- Basker-Manta-Gummy and Kipper gas, condensate and oil accumulations – Combined SFR volume of 293 Bcf of Dry Gas, 8.4 MMbbl of Condensate and 28.8 MMbbl Oil, all unchanged from 2002.
- Neptune oil accumulation, Gulf of Mexico, USA – 31.8 MMbbl Oil and 25 Bcf Dry Gas, increased following successful appraisal drilling. Further evaluation of drilling results to date and development studies are currently underway.

In addition to the above, the following significant changes to the Company's reported SFR were made during the year;

- For the Chinguetti oil field in Mauritania 35.0 MMbbl Oil were transferred to Reserves from Scope for Recovery.
- 19.6 MMbbl of Oil SFR previously reported for the Banda discovery in Mauritania has been removed following multi-disciplinary technical and commercial studies.
- 6.0 MMbbl of Oil SFR previously reported for the Audacious oil discovery has been removed following the sale of the Company's interest in the field during the year.

As a result of the changes described above Woodside's share of SFR was reduced slightly from 2,875 MMboe to 2,866 MMboe during 2003 (0.3% reduction on 2002).

RESERVES OVERVIEW

(at 31 December 2003)



PROVED AND PROBABLE RESERVES						
(million barrels of oil equivalent, Woodside share, at 31 December 2003)						
Reserves Category	Year end 2002	Annual Production ^{1,8}	Changes	Year end 2003	2003 Reserves Replacement Ratio ²	3-year Average Reserves Replacement Ratio ²
Proved ⁴	977.1	-59.8	62.8	980.1	105%	132%
Probable ⁴	1304.1	-59.8	59.3	1303.6	99%	158%

PROBABLE RESERVES RECONCILIATION BY PRODUCT				
(Woodside share, at 31 December 2003)				
	Dry Gas ⁴ (Bcf)	Condensate ⁴ (MMbbl)	Oil (MMbbl)	Total (MMboe ⁴)
Reserves (at 31 December 2002)	4840	154.9	300.1	1304.1
Improved Recovery ⁵	-	-	-	-
Revisions of previous estimates ⁶	-10	0.1	23.5	21.8
Extensions and Discoveries ⁷	-	-	37.5	37.5
Acquisitions and divestments	-	-	-	-
Annual Production ¹	-176	-9.3	-19.6	-59.8 ⁸
Reserves (at 31 December 2003)	4654	145.7	341.5	1303.6

PROBABLE RESERVES BY AREA				
(Woodside share, at 31 December 2003)				
Area	Dry Gas ⁴ (Bcf)	Condensate ⁴ (MMbbl)	Oil (MMbbl)	Total (MMboe ⁴)
NWS Venture	4189	128.6	37.2	900.7
Laminaria and Corallina	-	-	27.9	27.9
Legendre	-	-	5.5	5.5
Enfield and Vincent	-	-	225.1	225.1
Exeter and Mutineer	-	-	8.3	8.3
Ohanet (Algeria)	15	11.1	-	13.7
Thylacine and Geographe	450	6.0	-	84.9
Chinguetti (Mauritania)	-	-	37.5	37.5
Total	4654	145.7	341.5	1303.6

SCOPE FOR RECOVERY OVERVIEW

(at 31 December 2003)



SCOPE FOR RECOVERY RECONCILIATION BY PRODUCT				
(Woodside share, at 31 December 2003)				
	Dry Gas⁴ (Bcf)	Condensate⁴ (MMbbl)	Oil (MMbbl)	Total (MMboe⁴)
SFR (at 31 December 2002)	13,436	267.8	250.2	2875.2
Transfers to Reserves Category	-	-	-35.0	-35.0
Revisions of previous estimates ⁶	-40	2.6	-19.6	-24.0
Extensions and Discoveries ⁷	-	-	25.0	25.0
Acquisitions and divestments	175	0.3	-6.0	25.0
SFR (at 31 December 2003)	13,571	270.7	214.6	2866.2

SCOPE FOR RECOVERY BY AREA AND PRODUCT				
(Woodside share, at 31 December 2003)				
Area	Dry Gas⁴ (Bcf)	Condensate⁴ (MMbbl)	Oil (MMbbl)	Total (MMboe⁴)
Brecknock, Scott Reef and Brecknock South	9,642	142.0	-	1,833.6
Sunrise and Troubadour	2,570	100.0	-	550.9
Enfield, Vincent, Laverda, Stybarrow and Skiddaw	-	-	115.7	115.7
NWS Venture	340	16.2	26.1	101.9
Basker, Manta, Gummy and Kipper	293	8.4	28.8	88.6
Blacktip	500	3.1	-	90.8
Thylacine & Geographe	56	0.8	-	10.6
Neptune (USA)	25	-	31.8	36.2
Other ⁹	145	0.2	12.2	37.9
Total	13,571	270.7	214.6	2,866.2

Notes:

- 1 The term "Annual Production" means the volumes of Dry Gas, Condensate and Oil (see Note 4) produced during the year and converted to "MMboe" (see Note 4) for the specific purpose of Reserves reconciliation and the calculation of Annual Reserves Replacement Ratios. The Reserves Statement Annual Production differs from production volumes reported in the Company's annual and quarterly reports due to differences in the sales product definitions and the "MMboe" conversion factors applied (see Note 8).
- 2 The term "Reserves Replacement Ratio" means Reserves change during the year, before the deduction of production, divided by production during the year. The term "Three-year Reserves Replacement Ratio" means Reserves change over the three years, before the deduction of production for that period, divided by production during the same period.
- 3 The term "Ultimate Recovery" means resource volumes which will ultimately be economically produced and equals production to date plus Reserves plus future own use of fuel and flare.
- 4 The terms "Condensate, Dry Gas, Bcf, MMbbl, MMboe, Reserves, Proved Reserves, Probable Reserves, Ultimate Recovery and Scope for Recovery" are defined in Section 1 on Page 33 of Woodside's 2002 Annual Report. In addition, the notes in Section 2 on Page 33 are also applicable to this Reserves Statement except to the extent that they relate to 2002 production amounts.
- 5 Reserves or SFR changes resulting from the application of improved recovery techniques and technologies.
- 6 Revisions representing changes in previous estimates of Reserves or SFR, either upward or downward, resulting from new information normally obtained from development drilling and production history or resulting from a change in economic factors.
- 7 Additions to Reserves or SFR that result from (1) increased areal extensions of previously discovered fields demonstrated to exist subsequent to the original discovery, and (2) discovery of Reserves in new fields or new reservoirs in old fields.
- 8 Within this Reserves Statement the conversion of Dry Gas, Condensate and Oil volumes produced to millions of barrels of oil equivalent ("MMboe") is based on a Dry Gas conversion factor of 1 barrel of oil equivalent for each 5700 standard cubic feet, while Condensate and Oil volumes have been converted on a 1:1 volume ratio.
- 9 Includes Laminaria, Corallina, Legendre North and South, Kuda Tasi, Jahal and the Urama field in PNG.

The information contained in this Reserves Statement has been compiled by Mr Roland Hamp, a full-time employee of the Company. Mr Hamp's qualifications include a Master of Engineering (Petroleum Engineering) degree from Imperial College, University of London, England and more than 16 years of relevant experience. Mr Hamp has consented in writing to the inclusion of this information in this report.